

FISCAL NOTE

HB 2091 - SB 2178

January 28, 1998

SUMMARY OF BILL: Provides a sales tax exemption for automobiles purchased by members of the armed forces stationed at an air force base engineering development center located in the state. Current law exempts such purchases by military personnel stationed at Ft. Campbell or at a naval air station in Tennessee.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - \$24,600

Decrease Local Govt. Revenues - \$1,476

Assumes that the affected base would be Arnold Engineering Development Center, which employs approximately 110 military personnel.

Also assumes:

- Approximately 1.5 cars per household, 25% of which are replaced each year;
- Average car purchase price equal to \$10,000 (new and used); and
- Local sales tax cap of \$36 (average rate of 2.25% applied to the single article cap of \$1,600).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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